

Amendments to the Claims:

1-33. (Canceled)

34. (New) A system for conducting a commercial transaction using checking information comprising:

an input receiving device operable to receive transaction information including checking account information of a paper check and a sales amount for a purchase transaction, the checking account information including a transit routing number (TRN);

a host computer arranged to receive the transaction information from the input receiving device;

a switch computer connected to the host computer and a plurality of participating drawee banks, the switch computer being operable to:

receive from the host computer a service request message containing the transaction information and a request to perform a conversion operation;

perform an exclusion check on the received service request message based on a comparison of the TRN contained in the service request message against a list of excluded transit routing numbers;

send to the host computer an indicator indicating that the authorization for the conversion request is denied without forwarding the service request message to a drawee bank of the paper check if the performed exclusion check determines that the TRN is present in the list of excluded transit routing numbers; and

send the received service request message to a selected one of the plurality of drawee banks which corresponds to the TRN if the performed exclusion check determines that the TRN is not present in the list of excluded transit routing numbers.

35. (New) The system of claim 34, wherein the input receiving device includes a magnetic ink character recognition device operable to receive the paper check, the paper check not being used as a negotiable instrument and being returned to the customer.

36. (New) The system of claim 34, wherein the input receiving device includes a keyboard.

37. (New) The system of claim 34, wherein the conversion operation comprises one of conversion only, conversion with verification and conversion with guarantee.
38. (New) The system of claim 35, wherein the transaction information includes one or more separators and the input receiving device translates the one or more separators into alphanumeric characters.
39. (New) The system of claim 35, wherein the input receiving device further includes a point-of-sale terminal into which the purchase amount may be entered.
40. (New) The system of claim 34, wherein the service request message includes a settlement code indicating how settlement will occur.
41. (New) The system of claim 34, wherein the service request message includes a unique transaction identifier that allows related transactions to be associated in a set.
42. (New) The system of claim 34, wherein the host computer and the switch computer are connected via a telecommunication network.
43. (New) A method of processing a paper check transaction occurring at a point of sale, the method comprising:
- at a host computer:
 - receiving transaction information including checking account information of a paper check and a sales amount for a purchase transaction, the checking account information including a transit routing number (TRN);
 - assembling a service request message including the transaction information and a request to perform a conversion operation; and
 - transmitting the service request message to a switch computer; and
 - at the switch computer:
 - receiving the transmitted service request message from the host computer;

performing an exclusion check on the received service request message based on a comparison of the TRN contained in the service request message against a list of excluded transit routing numbers;

sending the host computer an indicator indicating that the authorization for the conversion request is denied without forwarding the service request message to a drawee bank of the paper check if the performed exclusion check determines that the TRN is present in the list of excluded transit routing numbers;

sending the received service request message to a selected one of a plurality of drawee banks which corresponds to the TRN if the performed exclusion check determines that the TRN is not present in the list of excluded transit routing numbers; and

sending a response received from the selected drawee bank to the host computer.

44. (New) The method of claim 43, wherein the checking account information is received via a magnetic ink character recognition device operable to receive a the paper check, the paper check not being used as a negotiable instrument and being returned to the customer.

45. (New) The method of claim 43, wherein the sales amount is received via a keyboard.

46. (New) The method of claim 43, wherein the conversion operation comprises one of conversion only, conversion with verification and conversion with guarantee.

47. (New) The method of claim 44, further comprising:
translating separators included in the transaction information into alphanumeric characters.

48. (New) The method of claim 44, wherein the purchase amount is received via a point-of-sale terminal.

49. (New) The method of claim 43, wherein the service request message includes a settlement code indicating how settlement will occur.

50. (New) The method of claim 43, wherein the service request message includes a unique transaction identifier that allows related transactions to be associated in a set.

51. (New) The system of claim 43, wherein the service request message is transmitted to the switch computer over a telecommunication network.

52. (New) A method of performing a transaction at a point of sale, the method comprising:
receiving checking account information from a paper check of a customer having magnetic ink character recognition (MICR) data at a device at the point of sale;

translating one or more separators in the MICR data into alphanumeric characters at the point of sale;

receiving an amount of the transaction into the device;

assembling a service request message that includes the checking account information, the amount and a request to perform a type of conversion operation, wherein the possible types of conversion operations include conversion only, conversion with verification and conversion with guarantee and wherein the service request message is assembled into a desired format;

sending the service request message to a switch computer of a service organization arranged to receive and to further route the service request message wherein the desired format of the service request message is changed to a standard format of the service organization and, wherein the checking account information is received in MICR data format from the point of sale and is sent to a drawee bank computer at which the checking account number is parsed;

performing exclusion checking on the service request message using an exclusion table and without parsing the MICR data;

receiving a response message via the switch computer indicating a response to the request to perform the type of conversion operation wherein the response can be responsive to any of the conversion operations of conversion only, conversion with verification and conversion with guarantee;

returning the paper check to the customer, the paper check not being used as a negotiable instrument;

determining a mode of settlement of the transaction at a time concurrent with sending the checking account information to the drawee bank computer, the determining performed by the switch computer; and

performing all of the above steps over a telecommunications network that provides online, real-time communications while the customer waits at the point of sale for the response message.

53. (New) The method of claim 52, wherein the step of receiving checking account information includes magnetically scanning the paper check of a customer using the device to obtain the MICR information from the check.

54. (New) The method of claim 52, wherein the service request message includes a settlement code indicating how settlement will occur.